23 PFG Approved For Release 2004/04/08 TOAR PP68B00969R000100030008-9

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Executive R4: y

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DD/ST#362465/

13 December 1965

MEMORANDUM FOR: Director of Reconnaissance, CIA
Re the attached, there was a second part of the IG's Recommendation 10; namely, "If the Agency must retain inspection and review responsibility for DOD contracts under the NRP, include in an Agency regulatory issuance clearly delineated assignments of functions to the DD/S&T Security Staff and to the Special Security Center for the discharge of that responsibility."
Could you please let us know what your position is on this part of the recommendation. We will particularly want to know how you feel about amending Agency regulations.
It would also be appreciated if you could amend the attached to indicate the general order of magnitude involved in the "costs to CIA of continuing these functions."
H. Knoche
Attachment

SECRET

cc: D/DCI/NIPE

IG

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SECRET

1 December 1965 DDS&T #5624-65

MEMORANDUM FOR: Executive Director-Comptroller

SUBJECT:

Inspector General's Survey of

Industrial Security

The Deputy Director for Science and Technology has referred the Inspector General's Survey of Industrial Security to me for comment on Recommendation 10 therein. This recommendation recommends that the Deputy to the DCI for National Intelligence Programs Evaluation initiate negotiations with a view toward "transfer to the Department of Defense of CIA's responsibility for security review and inspection of Department of Defense contractors under the National Reconnaissance Program or, failing that, seek reimbursement for the costs to CIA of continuing these functions". In light of the long and painful negotiations which resulted in the recent agreement between the Department of Defense and CIA with regard to the National Reconnaissance Program, it would be most inadvisable for CIA to take the initiative now to alter existing arrangements. I intend to keep CIA's security responsibilities in the NRP under review and will take steps to effect economies when it is appropriate to do so.

Director of Reconnaissance, CIA

cc: D/DCI/NIPE

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